

NOTICE OF PROPOSED ACTION

SB 528 QUALITY GLASS INCENTIVE PAYMENT PROPOSED PERMANENT REGULATIONS

TITLE 14. NATURAL RESOURCES DIVISION 2. DEPARTMENT OF CONSERVATION CHAPTER 5. DIVISION OF RECYCLING

NOTICE IS HEREBY GIVEN that the Department of Conservation (Department), Division of Recycling (Division) proposes to adopt amendments to the California Code of Regulations (CCR). Commencing with Subchapter 2, Chapter 5, Division 2, Title 14 of the CCR, the Division will propose permanent regulations, after the consideration of all comments, objections or recommendations. The proposed amendments are necessary to:

Subchapter 2. General Requirements **Article 4. General Accounting Requirements**

§2090 REPORTS, NOTICES AND CLAIMS SUBMITTED TO THE DIVISION.

Amended Subsection 2090(f)(3)(B)(14): This amendment is necessary to reflect the changes made in statute by SB 528. Prior to the enactment of this bill, only curbside programs could receive quality glass incentive payments for color-sorted glass beverage containers. SB 528 extended the eligibility for quality glass incentive payments to any certified entity that color-sorts glass beverage containers collected by curbside programs. This amendment clarifies that, for processors and recyclers that use consolidated shipping reports, eligible color-sorted glass must be identified on this report to claim a quality glass incentive payment. The amendment simplifies the reporting process, and deletes the requirement that mixed color materials also be identified on the consolidated shipping report. The new requirement provides that the designating sorting facility will also identify color-sorted glass - "S" will designate that the glass had been color-sorted by the Shipper, and "R" will designate that the glass had been color-sorted by the receiver. This will be consistent with proposed amendments to Subsection 2425(e)(3) and 2530(f)(11).

§2105 PERSONS CERTIFIED AS BOTH PROCESSORS AND RECYCLING CENTERS (DUAL CERTIFIED ENTITIES).

Amended Subsection 2105(b): This regulatory package will make a minor amendment to the reporting process for processors and recyclers who choose to claim quality glass incentive payments from the Division on the Shipping Report (DR-6). The DR-6, as revised on 07/00 required the processor to indicate in the appropriate box whether glass materials received from curbside programs were "color-sorted" (CS) or "mixed" (MX) color. The newly revised DR-6 will simplify

the process and require processors to identify only color-sorted materials on the shipping report that have been collected by curbside programs. The eligible materials will be distinguished by indicating the sorting facility as either the “shipper” (“S”) or “receiver” (“R”). In addition, the text in the Quality Glass Incentive Payment box has been modified to reflect the expanded scope of the Quality Glass Incentive Payment Program. Prior to the enactment of SB 528 (Chapter 874, Statutes of 2001) payments were made only to curbside programs. With the passage of SB 528, however, payments may be made to other certified entities that color-sort materials “collected by curbside programs”. The revised DR-6 deletes the reference to “Curbside Programs Only” and specifies materials from “Curbside Collection Only”. The Shipping Report (DR-6) will be modified to reflect these changes. The reference to the revised date of the Shipping Report (Form DR-6) is necessary to identify the most current revised date of that form. The revision date of March 2002 (03/02) indicated in the emergency regulations was incorrectly entered, and should have been January 2002 (01/02). This nonsubstantive correction is made in this permanent package.

Amended Subsection 2105(c): See comments for Subsection 2105(b).

Subchapter 2. Processors

Article 3. Accounting and Reporting Requirements

§2420. RECORDKEEPING.

Amended Section 2420(e): This amendment is necessary to reflect the changes made in statute by SB 528. Prior to the enactment of this bill, only curbside programs could receive quality glass incentive payments for color-sorted glass beverage containers. SB 528 extended the eligibility for quality glass incentive payments to any certified entity that color-sorts glass beverage containers collected by curbside programs. This Section is restructured to clarify the information that must be identified in records that are prepared and retained by processors in processor-to-processor transactions. This restructured Section provides a “laundry list” for processors to easily check the adequacy of information they include in their records.

Renumbered Subsection 2420(e)(1): This restructured Subsection is renumbered for clarity only and contains the current regulatory provision that requires the shipping and receiving processor to be identified in all processor-to-processor transactions.

Renumbered Subsection 2420(e)(2): This restructured Subsection is renumbered for clarity only and contains the current regulatory provision that requires the date of shipment, material type, and weight of material be identified in all processor-to-processor transactions.

New Subsection 2420(e)(3): This Subsection is necessary to reflect the changes made in statute by SB 528. Prior to the enactment of this bill, only curbside programs could receive quality glass incentive payments for color-sorted glass beverage containers. SB 528 extended the eligibility for quality glass incentive payments to any certified entity that color-sorts glass beverage containers collected by curbside programs. In processor-to-processor transactions, current regulations do not provide a mechanism for the purchasing processor to determine the origin of materials purchased. This new Subsection will require that in processor-to-processor transactions, the selling processor indicate the amount of material that was collected by curbside programs.

§2425. REPORTING.

Amended Subsection 2425(e)(3): This amendment is necessary to reflect the changes made in statute by SB 528. Prior to the enactment of this bill, only curbside programs could receive quality glass incentive payments for color-sorted glass beverage containers. SB 528 extended the eligibility for quality glass incentive payments to any certified entity that color-sorts glass beverage containers collected by curbside programs. The amendment simplifies the reporting process for processors on the Shipping Report (DR-6), and deletes the requirement that mixed-color materials also be identified in this report. The new requirement provides that the designating sorting facility will also identify color-sorted glass - “S” will designate that the glass had been color-sorted by the Shipper, and “R” will designate that the glass had been color-sorted by the Receiver. This amendment will be consistent with proposed amendments to Subsection 2090(f)(3)(B)(14) and 2530(f)(11).

Deleted Subsection 2425(e)(3)(A): The deletion of this subsection is necessary to simplify the reporting process for processors wishing to submit a claim for quality glass incentive payments. Current regulations require the processor to indicate on the Shipping Report (DR-6) whether eligible glass has been color-sorted or is mixed. Subsection 2425(e)(3)(A) requires color-sorted glass to be designated with a “CS” on the Shipping Report (DR-6). The amended Subsection 2425(e)(3) will delete the requirement of identifying both color-sorted and mixed glass, and simply require the reporting of materials that are color-sorted. This amendment will be consistent with proposed amendments to Subsection 2090(f)(3)(B)(14) and 2530(f)(11).

Deleted Subsection 2425(e)(3)(B): The deletion of this subsection is necessary to simplify the reporting process for processors wishing to submit a claim for quality glass incentive payments. Current regulations require the processor to indicate on the Shipping Report (DR-6) whether eligible glass has been color-sorted or is mixed. Subsection 2425(e)(3)(B) requires mixed glass to be designated by an “MX” on the Shipping Report (DR-6). The amended Subsection 2425(e)(3) will eliminate the requirement of identifying glass materials that are not color-sorted (i.e., mixed-color). This amendment will be

consistent with proposed amendments to Subsection 2090(f)(3)(B)(14) and 2530(f)(11).

SUBCHAPTER 6. RECYCLING CENTERS

Article 3. Accounting and Reporting Requirements

§2530 REPORTING.

Amended Subsection 2530(f)(11): This amendment is necessary to reflect the changes made in statute by SB 528. Prior to the enactment of this bill, only curbside programs could receive quality glass incentive payments for color-sorted glass beverage containers. SB 528 extended the eligibility for quality glass incentive payments to any certified entity that color-sorts glass beverage containers collected by curbside programs. The amendment simplifies the reporting process for recyclers on the Shipping Report (DR-6), and deletes the requirement that mixed-color materials also be identified in this report. The new requirement provides that the designating sorting facility will also identify color-sorted glass - "S" will designate that the glass had been color-sorted by the Shipper, and "R" will designate that the glass had been color-sorted by the Receiver. This amendment will be consistent with proposed amendments to Subsection 2090(f)(3)(B)(14) and 2425(e)(3).

Deleted Subsection 2530(f)(11)(A): The deletion of this subsection is necessary to simplify the reporting process for certified entities wishing to submit a claim for quality glass incentive payments. Current regulations require the recycler to indicate on the Shipping Report (DR-6) whether eligible glass has been color-sorted or is mixed. Subsection 2530(f)(11)(A) requires color-sorted glass to be designated with a "CS" on the Shipping Report (DR-6). The amended Subsection 2530(f)(11) will delete the requirement of identifying both color-sorted and mixed glass, and simply require the reporting of materials that are color-sorted. This amendment will be consistent with proposed amendments to Subsection 2090(f)(3)(B)(14) and 2425(e)(3).

Deleted Subsection 2530(f)(11)(B): The deletion of this subsection is necessary to simplify the reporting process for certified entities wishing to submit a claim for quality glass incentive payments. Current regulations require the recycler to indicate on the Shipping Report (DR-6) whether eligible glass has been color-sorted or is mixed. Subsection 2530(f)(11)(B) requires mixed glass to be designated by an "MX" on the Shipping Report (DR-6). The amended Subsection 2530(f)(11) will eliminate the requirement of identifying glass materials that are not color-sorted (i.e., mixed-color). This amendment will be consistent with proposed amendments to Subsection 2090(f)(3)(B)(14) and 2425(e)(3).

SUBCHAPTER 11.5. QUALITY GLASS INCENTIVE PAYMENTS

Article 1. General Requirements

New Subchapter 11.5: Prior to the enactment of SB 528, quality glass incentive payments could only be made to curbside programs, as specified. The guidelines for making these payments were contained in Section 2690, which was contained in Subchapter 8 of the regulations regarding curbside programs. SB 528, as enacted October 14, 2001, extended the eligibility for quality glass incentive payments to any certified entity that color-sorts glass beverage containers. Therefore, the regulations regarding quality glass incentive payments must be renumbered and moved from Subchapter 8, which pertains to curbside programs. Because no current Subchapter applies to such a broad scope of participants, a new Subchapter must be established. Section 2690 has been renumbered as Section 2850, and moved from Subchapter 8 (regarding curbside programs) to new Subchapter 11.5 (regarding Quality Glass Incentive Payments).

New Article 1. General Requirements: Prior to the enactment of SB 528, quality glass incentive payments could only be made to curbside programs, as specified. The guidelines for making these payments were found in Section 2690, which was contained in Article 3 of Subchapter 8 of the regulations regarding curbside programs. SB 528, as enacted October 14, 2001, no longer restricts the payment of quality glass incentive payment to curbside programs, but extends the eligibility to any certified entity that color-sorts glass beverage containers. Therefore, the regulations regarding quality glass incentive payments must be renumbered and moved, and because no current Article and Subchapter applies to such a broad scope of participants, a new Subchapter and a new Article 1, regarding General Requirements must be established. Therefore, Section 2690 has been renumbered as Section 2850, and moved from Subchapter 8 (regarding curbside programs) to new Article 1 (regarding General Requirements) within new Subchapter 11.5 (regarding Quality Glass Incentive Payments).

§2850 QUALITY GLASS INCENTIVE PAYMENTS

Renumbered Section 2850: Prior to the enactment of SB 528, quality glass incentive payments could be made only to curbside programs, as specified. The guidelines for making these payments was contained in Section 2690, which was contained in Subchapter 8 of the regulations regarding curbside programs. Because SB 528, as enacted October 14, 2001, no longer restricts the payment of quality glass incentive payment to curbside programs, but extends the eligibility to any certified entity that color-sorts glass beverage containers, this provision must be renumbered and moved to new Subchapter 11.5 that applies to Quality Glass Incentive Payments. Therefore, Section 2690 has been renumbered as Section 2850, and moved from Subchapter 8 (regarding curbside programs) to new Article 1 (regarding General Requirements) within Subchapter 11.5 (regarding Quality Glass Incentive Payments).

Amended Subsection 2850(a): This amendment is necessary to reflect the changes made in statute by SB 528. Prior to the enactment of this bill, only curbside programs could receive quality glass incentive payments for color-sorted glass beverage containers. SB 528 extended the eligibility for quality glass incentive payments to any certified entity that color-sorts glass beverage containers collected by curbside programs. This amendment deletes the eligibility restriction for quality glass incentive payments, which was contained in prior statute. This amendment clarifies that quality glass incentive payments are to be made directly to any certified entity that color-sorts glass from curbside programs.

New Subsection 2850(b): This Section is necessary to inform certified entities that color-sort eligible material prior to completion of the Shipping Report (DR-6) that the sorting facility must be identified on the Shipping Report Form, as specified in Subsection 2425(e), or 2530(f). Identification of the sorting facility on the Shipping Report (DR-6) will enable the Division's fiscal intermediary (IKON) to determine the entity that is to be paid for the volume of eligible color-sorted materials specified.

New Subsection 2850(c): Because the Shipping Report (DR-6) can only be completed by recyclers and processors and reflects the condition of material (i.e., color-sorted or mixed-color) purchased at that point in time, materials that are color-sorted after completion of the DR-6 cannot be claimed as color-sorted on the Shipping Report (DR-6). For that reason, a separate process has been established for those certified entities that choose to claim quality glass incentive payments for eligible materials that are color-sorted after completion of the Shipping Report (DR-6).

This new Subsection is necessary to inform certified entities that color-sort eligible material after completion of the Shipping Report (DR-6) of the need to complete a Quality Glass Incentive Payment Claim Form (DOR 56 01/02) for each calendar month the quality glass incentive payments are being requested. This will allow the Division to track claims, forecast the amount of color-sorted materials, calculate the payments per ton, and audit the accuracy of payments made. In addition, the certified entity will be required to request an authorization from the Division to submit claims for quality glass incentive payments.

New Subsection 2850(c)(1): This new Subsection is necessary to inform certified entities that choose to color-sort glass after completion of the Shipping Report Form that they must submit to the Division a request for approval of an authorization to submit claims for quality glass incentive payments. Included in this request is a methodology to be developed by the sorting facility to attribute glass materials to the types of programs from which they were received. This will ensure that glass materials collected from sources other than curbside programs are excluded from the amount claimed.

New Subsection 2850(c)(2): This new Subsection is necessary to establish guidelines the Division will use in reviewing a request for authorization to submit claims for quality glass incentive payments. The Division will be required to review each request for authorization and issue a written approval or denial within 45 days of receipt of the request. The authorization will be valid for a period of three years from the date of approval unless surrendered, suspended, or revoked by the Division.

New Subsection 2850(c)(3): This new Subsection is necessary to establish and inform participants of the Division's criteria that will be used to deny a request for authorization, or for suspending or revoking an approved authorization.

New Subsection 2850(c)(3)(A): This new Subsection is necessary to inform participants that a request for authorization may be denied, or an approved authorization may be suspended or revoked if mixed-color glass that is received from entities other than curbside programs is not excluded from the quality glass incentive payment claim. Statute specifies that quality glass incentive payments be paid only on material collected by curbside programs. Sorting facilities must demonstrate their ability to ensure the exclusion of non-curbside materials from the quality glass incentive payment claims.

New Subsection 2850(c)(3)(B): This new Subsection is necessary to inform participants that a request for authorization may be denied, or an approved authorization may be suspended or revoked if they are unable to account for each incoming load of mixed color glass. This will ensure that only eligible materials are claimed, and allow the Division to track and audit materials and payments made for color-sorted glass.

New Subsection 2850(c)(3)(C): This new Subsection is necessary to inform participants that a request for authorization may be denied, or an approved authorization may be suspended or revoked if claims are not based on the color-sorted weight of the glass material. This Subsection will implement the statutory provision that restricts the payment of quality glass incentive payments to color-sorted glass beverage containers.

New Subsection 2850(c)(3)(D): This new Subsection is necessary to inform participants that a request for authorization may be denied, or an approved authorization may be suspended or revoked if the required records are not maintained. The maintenance of these inventory records allows the Division to track the materials shipped and received, thereby enhancing the ability of the Division to audit and ensure the accuracy of the payments made to the facility, thereby ensuring the integrity of the California Beverage Container Recycling Fund.

New Subsection 2850(c)(3)(E): This Subsection is necessary to inform participants that a request for authorization may be denied, or an approved authorization may be suspended or revoked if the sorting facility has been found to be in violation of the California Beverage Container Recycling and Litter Reduction Act (Act) or regulations. The ability of the Division to deny, suspend, or revoke authorization to file a claim will encourage compliance with provisions contained in the Act and regulations.

New Subsection 2850(c)(4): This new Subsection is necessary to inform any sorting facility of the reconsideration process that is available if the Division denies, suspends, or revokes an authorization to submit claims for quality glass incentive payments. The sorting facility will be required to submit a written request for reconsideration within 30 days of the service of notice, and include the information specified in paragraphs (A) through (C).

New Subsection 2850(c)(4)(A): This new Subsection is necessary to inform the sorting facility that, with the request for reconsideration, they must include a copy of the notice of denial, suspension, or revocation that is sent by the Division. This will ensure that the Division reviews information regarding the correct parties and accurately addresses the grounds for denial, suspension, or revocation.

New Subsection 2850(c)(4)(B): This new Subsection is necessary to inform the sorting facility that, with the request for reconsideration, they must include a detailed explanation of their proposed grounds for reconsideration. This will allow the Division to effectively and accurately review and address the basis of the request for reconsideration.

New Subsection 2850(c)(4)(C): This new Subsection is necessary to inform the sorting facility that, with the request for reconsideration, they must include any documentation that supports the request. This will allow the Division to effectively and accurately review and address the basis of the request for reconsideration.

New Subsection 2850(c)(5): This new Subsection is necessary to establish a time period in which the Division must make a determination regarding any request for reconsideration of a denial, suspension, or revocation of an authorization to submit claims for quality glass incentive payments. This will hold the Division accountable, and ensure the prompt review of any such request.

New Subsection 2850(c)(6): This new Subsection is necessary to inform certified entities who submit claims of the time frame required for submission of the Quality Glass Incentive Payment Claim (DOR 56 01/02). These time frames are necessary to allow sufficient time for both the participant to submit necessary information, and the Division to review and process the claims accurately. To

encourage the prompt and accurate submission of claims, claimants are informed that late or incomplete claims may be denied.

New Subsection 2850(c)(7): This new Subsection is necessary to inform the certified entities that choose to submit claims of the information that will be required on the Quality Glass Incentive Payment Claim Form (DOR 56 01/02).

New Subsection 2850(c)(7)(A): This new Subsection is necessary to inform the certified entities who choose to submit claims to specify the month for which the claim is being submitted. This requirement will assist the Division and certified entity in maintaining accurate records. This will facilitate the payment of claims and the tracking, projection, and auditing of payments.

New Subsection 2850(c)(7)(B): This new Subsection is necessary to inform the certified entities who choose to submit claims that they must include their facility name, mailing address, and certification number to ensure payment is correctly made and to allow the Division to verify that the sorting facility is actually a certified entity. This information will also assist the Division in tracking and auditing payments to ensure the integrity of the Beverage Container Recycling Fund.

New Subsection 2850(c)(7)(C): This new Subsection is necessary to inform the certified entities who choose to submit claims that they must include the name and phone number of a contact person. This information will facilitate the payment process when the information submitted is ambiguous or incomplete. This information will also assist the Division in tracking and auditing payments to ensure the integrity of the Beverage Container Recycling Fund.

New Subsection 2850(c)(7)(D): This new Subsection is necessary to inform certified entities who choose to submit claims to include the redemption weight of the color-sorted glass materials on the Quality Glass Incentive Payment Claim Form (DOR 56 01/02). This allows the Division to determine the payment to be made to the sorting facility.

New Subsection 2850(c)(7)(E): This new Subsection is necessary to specify that the signature and title of the authorized representative of the certified entity must be included on the Quality Glass Incentive Payment Claim Form (DOR 56 01/02). This allows the Division to determine legitimate claims, and to track and audit payments made.

New Subsection 2850(c)(7)(F): This new Subsection is necessary to inform claimants that the Quality Glass Incentive Payment Claim Form (DOR 56 01/02) must be dated. This will enhance the ability of the Division and the claimant to accurately track and review claims. This will also allow the Division to perform necessary audits of participants to ensure the integrity of the California Beverage Container Recycling Fund.

Renumbered Subsection 2850(d): This Section is renumbered due to the addition of new Subsections 2850(b) and (c), which changed the numbering of subsequent sections for consistency. Therefore, this Subsection, which was numbered 2690(b) in previously adopted regulations, is now renumbered 2850(d) in this regulatory package.

Amended Subsection 2850(d): This amendment is necessary to clarify the Division's authority to deny or reduce the quality glass incentive payment if the Division has prevailed in a claim against any certified entity and money is owed to the Division. Pursuant to current regulations, the Division has authority to deny or reduce a payment to curbside programs if the Division has prevailed in a claim against a curbside program. Because SB 528 expanded the eligibility to claim quality glass incentive payments to any certified entity, this change will reflect the change made in statute.

Renumbered Section 2850(e): This Section is renumbered due to the addition of new Subsections 2850(b) and (c), which changed the numbering of subsequent sections for consistency. Therefore, this Subsection, which was numbered 2690(c) in previously adopted regulations, is now renumbered 2850(e) in this regulatory package.

INFORMATION IS AVAILABLE UPON REQUEST. Copies of the express terms of the proposed action, the initial statement of reasons and all of the information upon which this proposal is based are available upon request. The rulemaking file is available to the public for review during normal business hours at the Division of Recycling, 801 "K" Street, 18th Floor, Sacramento, California. Please contact the agency contact person, Marty Nold at (916) 327-2761. The backup agency contact person for this rulemaking file is Cheryl Brown, who may be contacted at (916) 323-0728. Questions regarding this file may be directed to either Marty Nold or Cheryl Brown. Technical questions regarding this file may be directed to Zenny Yagen, at (916) 327-2906.

SUBMITTING WRITTEN COMMENTS. The written comment period permits any interested person, or their authorized representative, to submit written comments addressing the proposed amendment to the Department. Written comments, which offer a recommendation and/or objection, or support the proposed amendment, should indicate the amended section to which the comment or comments are directed. Written comments should be sent to the Department and received before the close of the public comment period, no later than 5:00 p.m. on December 2, 2002. We request that all written comments reference a subsection or section of the proposed action. Comments that are received by the Department after the close of the public comment period will not be responded to in the rulemaking file. Submit your written comments to: Marty Nold, SB 528 Quality Glass Incentive Payment Proposed Permanent

Regulations, Department of Conservation, Division of Recycling, 801 "K" St., MS 18-58, Sacramento, CA 95814. During the 45-day comment period, written comments may also be E-mailed to: DORRegulations@consrv.ca.gov, or faxed to (916) 327-8668.

PUBLIC HEARING SCHEDULED. The hearing will begin promptly at 10:00 a.m. and will adjourn immediately after hearing the last public comment by those individuals present. The conference room is wheelchair accessible. The public hearing to record public comments on the proposed amended regulations is scheduled for:

December 2, 2002 at 10:00 a.m.
The Renaissance Tower
18th Floor Training Room
801 "K" Street
Sacramento, CA 95814

SUBSTANTIAL REVISIONS WILL REQUIRE A RENOTICE. Following the public hearing, the Department will adopt the regulations without further notice. However, if the Department chooses to substantially alter or revise the proposed regulatory action, a revised notice, called a renote, and the amended version of the proposed text of the regulations will be made available to the public for another public comment period for fifteen (15) days. Only persons who have provided their names and addresses to the Department and were present at the hearings, submitted written or oral comments, or requested notification of amendments to the regulations, will be sent any renotes.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

The California Beverage Container Recycling and Litter Reduction Act was enacted in 1986 to encourage the recycling of empty beverage containers and the reduction of litter in California. Public Resources Code Section 14549.1 was enacted by AB 1244 (Chapter 817, Statutes of 1999), and authorized the Department of Conservation, Division of Recycling (Division) to pay a quality glass incentive payment of up to \$3 million annually to operators of curbside programs for color-sorted glass beverage containers that are substantially free of contaminants. Curbside programs typically deliver materials directly to either a material recovery facility (MRF), recycling center, or processor that has a MRF on site (although some curbsides still sort at the curb).

SB 528 (Chapter 874, Statutes of 2001) was enacted as an urgency measure and became effective on October 14, 2001. This bill extended the eligibility for quality glass incentive payments to any certified entity that color-sorts glass beverage container materials collected by curbside programs for recycling. As of October 14, 2001, any certified entity that color-sorts glass collected by curbside programs is eligible to collect quality glass incentive payments. Emergency

regulations were filed with the Office of Administrative Law (OAL) and became effective on March 25, 2002, were readopted on July 23, 2002, and will expire on November 20, 2002. That emergency package implemented the changes established by SB 528, by establishing and clarifying the reporting requirements for certified entities that are eligible to collect these payments; and updated the Shipping Report Form (DR-6) for those certified entities that color-sort glass beverage container materials prior to completion of this form. The regulations proposed in this package will permanently adopt the regulations contained in the emergency package that are now in effect. This will enable the Division to continue to make payments to those entities that color-sort eligible materials.

AUTHORITY

These regulations are submitted pursuant to the Department's authority under Public Resources Code Sections, 14530.5 (b) and 14536.

REFERENCE

Revisions to California Code of Regulations Title 14, Division 2, Chapter 5, Sections 2090, 2105, 2420, 2425, 2530, and renumbered Section 2850 are intended to make more specific Public Resources Code Section 14549.1.

DISCLOSURES REGARDING THE PROPOSED ACTION

Mandate on local agencies and school districts: The Department has determined that adoption of these proposed regulations do not impose any new mandates on local agencies or local school districts.

Cost or savings to any State agency: No savings or additional expenses to state agencies are identified because the implementation of statute is financed by the beverage container recycling program itself.

Costs to any local agency or school district that must be reimbursed in accordance with Government Code §§ 17500 through 17630. The Department has determined that the adoption of these proposed regulations do not impose any additional cost obligations on local agencies or on local school districts.

Other non-discretionary cost or savings imposed upon local agencies: No other non-discretionary costs or savings to local agencies have been identified.

Cost or savings in Federal funding to the State: No costs or savings in Federal funding to the state have been identified.

Significant statewide adverse economic impact directly affecting business including the ability of California businesses to compete with businesses in other states: The Department has determined that no statewide adverse impacts to

California businesses result from the adoption of this proposed regulatory language. These proposed regulations serve to clarify and make specific existing statutory requirements. The Department has determined that any reports required pursuant to these proposed regulations are necessary for the health, safety, or welfare of the people of the state.

Potential cost impact on private persons or directly affected businesses: The Department is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action. This proposed regulation does not mandate actions upon private persons or businesses, but rather clarifies existing statutory mandates.

Creation or elimination of jobs in California: The Department has determined that the adoption of these regulations will not:

- Create or eliminate jobs within California;

- Create new or eliminate existing businesses within California;

- Expand businesses currently doing business in California.

Significant effect on housing costs: The Department has determined that the adoption of these regulations will have no significant effect on housing costs.

Adverse effects on small businesses: The Department has determined that the adoption of these proposed regulations do not adversely affect small businesses. These proposed regulations serve to clarify and make specific existing requirements contained in statute. These proposed regulations do not mandate actions upon private persons or businesses, but rather clarifies existing statutory mandates.

CONSIDERATION OF ALTERNATIVES

The Department must determine that no reasonable alternative that it considers or that has otherwise been identified and brought to the attention of the Department would be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed action. The Department has not identified any adverse impacts resulting from these proposed regulations.

FINAL STATEMENT OF REASONS

A copy of the final statement of reasons may be obtained, when it becomes available, from the agency contact person or backup contact person identified in this notice.

ACCESSING INFORMATION REGARDING THIS FILE ON THE DEPARTMENT
OF CONSERVATION WEBSITE

The text of the proposed regulations, the Notice of Proposed Action, the Initial Statement of Reasons and the Final Statement of Reasons, when available for review, will be on the Department of Conservation website at: www.consrv.ca.gov.